



Today's Work Session

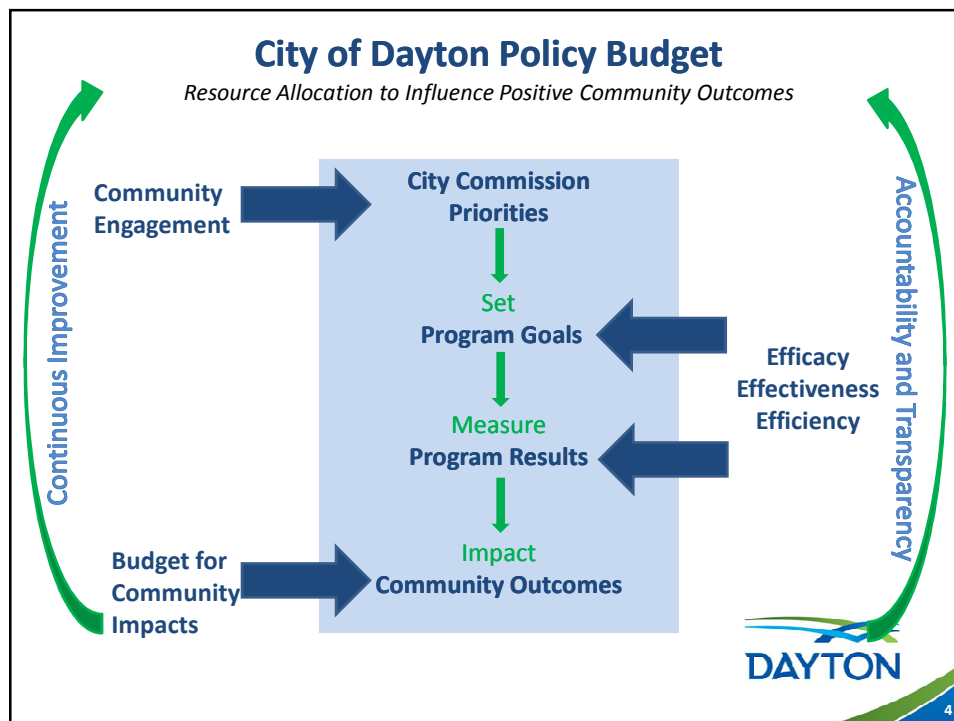
1. Background and Overview of the Policy Budget Process
2. Total Operating and Capital Sources
3. General Fund Revenue Estimates Assumptions
4. Expenditure Budgets and Budget Solutions
5. Department Presentation Schedule
6. Overview Summary

Background

1. In November of 2014, a charter amendment was approved by voters that changed the budget process.
2. In 2015, City Commission adopted a new budget ordinance and a new budget process was implemented. Major components include:
 - a) Policy focus
 - b) Emphasis on Community Outcomes
 - c) Program Objectives and Performance Measures
 - d) Financial Policies



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Community Service Areas

◆ Community Service Areas are comprised of a group of programs with an integrated mission to address a set of City Commission priorities

◆ CSAs are linked together to form the framework for the City's Policy Budget



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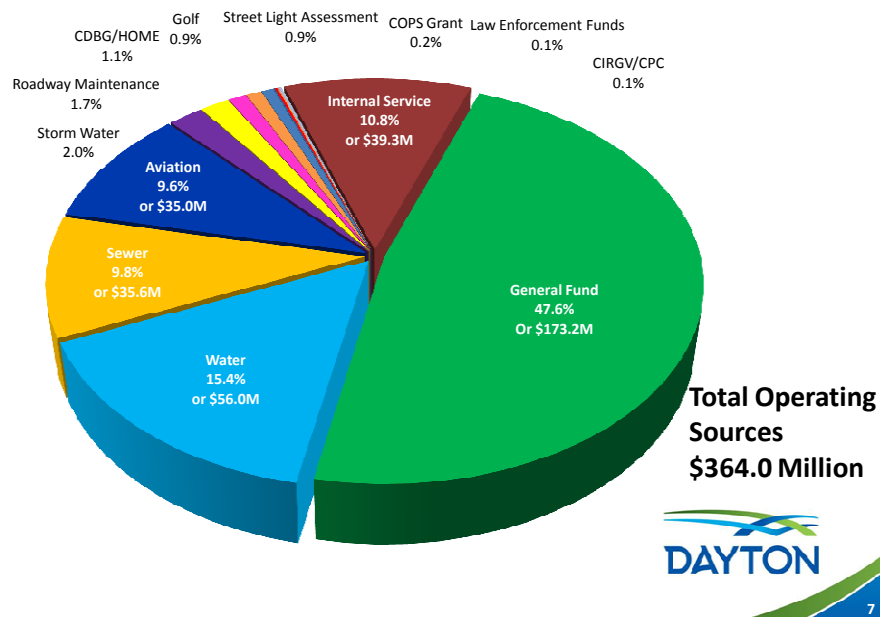
Presentation Focus

1. Prior to 2016, our presentation focus was on the General Fund, Enterprise Funds and CDBG as discrete and separate units.
2. This is our third year of presenting the budget according to Community Service Areas and the programs that compose each area.
3. Accordingly, we will be combining the following parts of the City Budget in this overview as well as in the presentations of each respective Community Service Area:
 - a) **Operating** – General Fund, Roadway Maintenance, Enterprise Funds, Major Grants, Special Assessment Funds and Internal Service Funds
 - b) **Capital Improvements** – Enterprise, General Capital, HUD and Special Assessments
4. We will not present Special Projects, Bond Retirement, Non-major Grants and Other Special Revenue Funds.

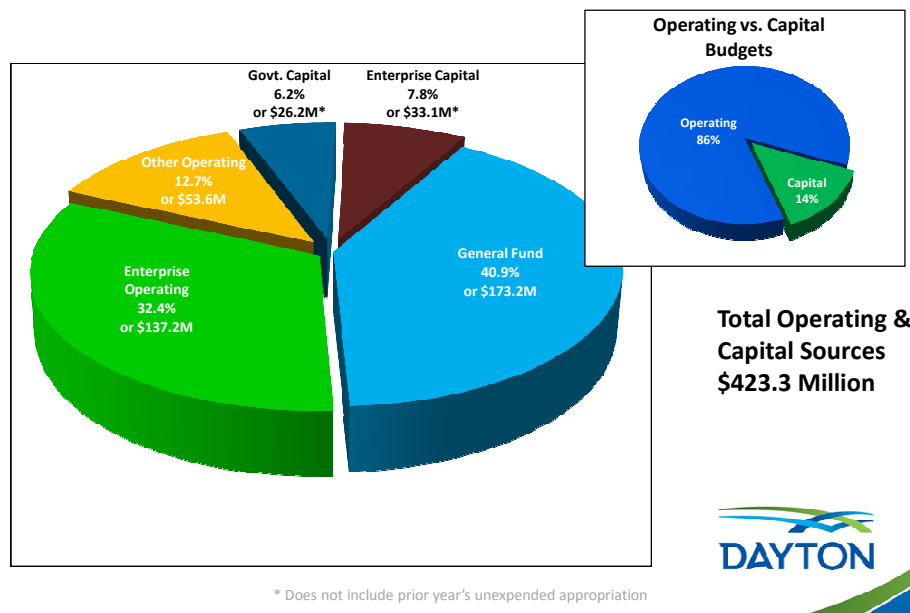
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2018 Operating Budget Sources



2018 Operating & Capital Budget Sources



2018 Operating & Capital Budget Sources

1. General Fund revenues including investments are up 0.7% on higher income taxes, fines, permit fees and interest income offset by a reduction in indirect cost reimbursements and further cuts to the LGF.
2. Water revenue is expected to increase slightly based on inflation and the cost of service.
3. Sewer revenue is expected to increase slightly due to the inflationary increase.
4. Aviation revenue is expected to decline 2% due to the loss of Southwest offset by increased capacity from other airlines.
5. Storm Water is projected to climb 2.5% due to the inflationary increase and better collections rates.

*Does not
include PY
Unexpended
Appropriation

Sources	2017 Budget	2018 Budget	% Chg.
General Fund	\$ 171,965,000	\$ 173,212,900	0.7%
Water	55,406,400	55,968,400	1.0%
Sewer	34,935,400	35,564,400	1.8%
Aviation	35,711,600	34,980,700	-2.0%
Storm Water	7,221,800	7,401,000	2.5%
Roadway Maintenance	6,043,000	6,206,000	2.7%
CDBG/HOME	4,146,800	3,825,800	-7.7%
Golf	3,401,800	3,273,000	-3.8%
Street Light Assessment	2,514,700	2,608,500	3.7%
Law Enforcement Funds	833,900	283,000	-66.1%
Mediation Center	448,600	524,600	16.9%
CIRGV/CPC	256,000	250,000	-2.3%
COPS Grant	-	625,000	N.A.
Internal Service	39,160,900	39,256,700	0.2%
Subtotal Operating	\$ 362,045,900	\$ 363,980,000	0.5%
Governmental Capital*	19,865,465	26,187,500	31.8%
Enterprise Capital*	34,603,700	33,125,800	-4.3%
Subtotal Capital	\$ 54,469,165	\$ 59,313,300	8.9%
Total Operating and Capital	\$ 416,515,065	\$ 423,293,300	1.6%

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2018 Operating & Capital Budget Sources

6. Roadway Maintenance revenue is expected to increase almost 3% based on current trends.
7. CDBG/HOME operating is projected to decline nearly 8% as the result of federal funding uncertainty.
8. Golf revenue forecast is based on current trends, the 2017 estimate was slightly inflated.
9. Street Light Assessment revenue is experiencing higher collection rates.
10. Internal Service Funds revenues are flat compared to 2017.
11. Governmental Capital is higher in 2018 due to the biennial G.O. debt issuance.
12. Enterprise Capital is down as 2016 - 2017 included projects funded with Aviation Revenue Debt.

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Your Dollars, Your Neighborhood 2018 Budget

Issue 9 Budget	Amount
Estimated Income Tax Proceeds	\$ 11,187,000
Support to Maintain Public Safety Services	2,658,500
Vacant Lot Mowing	600,000
Residential Road Resurfacing	3,384,500
Parks Upgrades	244,000
Preschool Promise	4,300,000
Total Services and Investments	\$ 11,187,000

- ◆ The components of Issue 9 include:
1. Maintain Public Safety service levels
 2. Keep vacant lots mowed each month during the mowing season
 3. Repave 60+ miles of residential roads
 4. Improve City Parks
 5. Fund high quality pre-school for all 4-year olds in Dayton
- ◆ Visit the Your Dollars, Your Neighborhood Dashboards for more information



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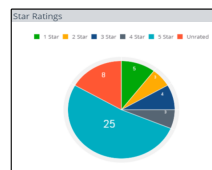
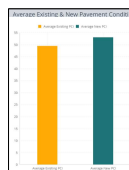
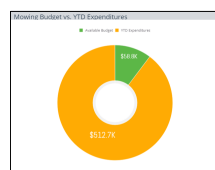


Your Dollars, Your Neighborhood

One Year Later

visit our website:

www.daytonohio.gov/yourdollarsyourneighborhood



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2018 General Fund Budget

General Fund	2014 Actuals	2015 Actuals	2016 Actuals	2017 Original Budget	2017 Revised Estimate*	2018 Original Budget	'17 Revised to '18 Orig. \$ Chg.	'17 Revised to '18 Orig. % Chg.
Revenues	155.20	158.77	158.44	171.97	170.23	173.21	2.98	1.8%
Use of Cash Reserve	1.71	0.0	0.0	1.67	0.00	1.70	1.70	N.A.
27th Payroll Transfer	0.0	2.25	0.00	0.0	0.0	0.0	0.0	N.A.
Total Sources	156.90	161.02	158.44	173.64	170.23	174.91	4.68	2.7%
Total Uses	156.90	160.07	157.30	173.64	170.23	174.91	4.68	2.7%
Annual Balance	0.0	0.95	1.14	0.0	0.0	0.0	0.0	N.A.

Notes:

1. Does not include special projects, which are reported separately.

2. Actual Uses include expenditures against current year appropriation and expenditures against carry-over encumbrances.

3. * 2017 Revised Estimate reflects the revised revenue projection approved by the Revenue Advisors Group and estimated expenditures.

All numbers in \$ millions.

- The 2018 revenue budget is \$3 million or 1.8% higher than the 2017 revised forecast. Even with the \$11.2M from Issue 9, revenues in 2018 are \$1.5M less than the peak in 2007.
- \$1.7 million of cash reserve will be used to fund 2018 investments.
- The 2018 revenue forecast includes \$11.2 million in additional income tax attributable to Issue 9.
- The 2017 budget would be \$11 million (2010 dollars) higher if the state had not significantly slashed state-shared sources.



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2018 General Fund Revenue Forecast

(all numbers in \$ millions)

Revenue Category	2013 Actuals	2014 Actuals	2015 Actuals	2016 Actuals	2017 Original Estimate	2017 Final Estimate	2018 Original Estimate	'17 Revised to '18 Orig. \$ Chg.	'17 Revised to '18 Orig. % Chg.
Income Tax	101.93	102.65	107.41	108.75	122.29	121.47	123.54	2.07	1.7%
Property Tax & Other Taxes	6.18	6.24	5.95	5.98	6.00	6.11	6.19	0.08	1.3%
Waste Collection Fees	9.47	9.11	9.12	8.76	9.08	9.08	9.23	0.15	1.7%
EMS Fees	4.81	4.51	5.41	5.42	5.21	5.21	5.21	0.00	0.0%
Other Charges for Services	11.29	11.88	12.10	11.59	12.17	11.12	10.77	(0.35)	-3.1%
Local Gov't Fund	6.89	6.74	7.07	6.50	6.87	6.31	6.24	(0.08)	-1.2%
Other Intergovernmental	6.77	5.62	4.38	4.68	4.07	4.30	4.13	(0.18)	-4.1%
Fines and Forfeits	3.66	3.31	2.44	0.65	0.71	0.68	1.02	0.33	48.9%
Licenses and Permits	1.27	1.35	1.51	1.56	1.83	1.45	1.87	0.43	29.7%
Other Revenues	3.77	3.80	3.37	4.54	3.74	4.50	5.02	0.52	11.5%
Total Revenues	156.04	155.20	158.77	158.44	171.97	170.23	173.21	2.98	1.8%
Use of Cash Reserve	0.00	1.71	0.00	0.00	1.67	0.00	1.70	1.70	N.A.
27th Payroll	0.00	0.00	2.25	0.00	0.00	0.00	0.00	0.00	N.A.
Total Sources	156.04	156.90	161.02	158.44	173.64	170.23	174.91	4.68	2.7%
% Chg. from Previous Year	0.6%	0.6%	2.6%		9.6%	7.4%	2.7%		
\$ Chg. from Previous Year	0.96	0.87	4.11		15.20	11.79	4.68		



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General Fund Revenue Assumptions

Income Tax: \$123.5 million 1.7% increase

- Usual forecast method – 4 statistical and 1 qualitative method
- Assumes continued economic recovery
- Assumes no negative shocks from loss of major employer or legislative changes
- Note: HB5 is in effect in 2018

Property and Other Taxes: \$6.2 million 1.3% increase

- Assumes 97.4% collection rate (89.6% on current levy and 7.8% on delinquencies)
- Assumes 0.5% increase in values based on preliminary results from triennial update
- Assumes Hotel Tax at \$710,400 (trend plus new Holiday Inn Express)

Waste Collection Fees: \$9.2 million 1.7% increase

- Account adjustments have tightened collections
- Assumes 1.7% increase as a result of inflation escalator

EMS Fees: \$5.2 million 0.0% increase

- Higher contractual adjustments are depressing billed revenue
- Assumes current trends in transports and positive impacts of Medicaid expansion



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General Fund Revenue Assumptions

Other Charges for Services: \$10.8 million 3.1% decrease

- Assumes inflationary increases for various charges
- Assumes \$575,000 reduction in indirect cost reimbursements after methodology review

Local Government Fund: \$6.2 million 1.2% decrease

- Assumes certified estimate from State Dept. of Taxation
- Assumes total elimination of the Municipal Direct Allocation (loss of \$371,300 on an annualized basis)
- Decrease to the 2017 original estimate is 9.1% or \$628,000

Other Intergovernmental: \$4.1 million 4.1% decrease

- Assumes slight increase in casino taxes after modest declines in 2017 first half
- Assumes expiration of state legislation enabling the Racino Payment

Fines and Forfeits: \$1.0 million 48.9% increase

- Assumes parking fines will decline due to new mobile app
- Assumes reinstatement of Public Safety Photo Enforcement



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General Fund Revenue Assumptions

Licenses and Permits: \$1.8 million 29.7% increase

- Assumes increased revenue after a review and update in permitting fees, estimated at \$400,000 annually
- Assumes modest growth in permits issued after a slow down in 2017

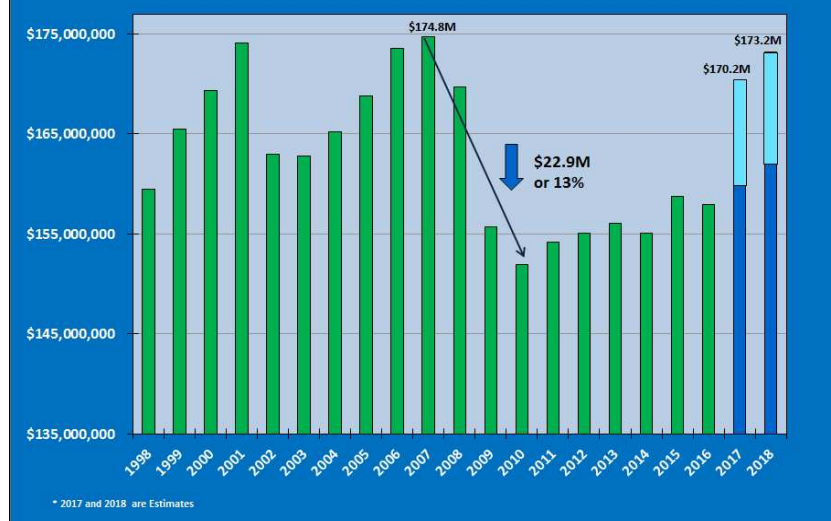
Other Revenue: \$5.0 million 11.5% increase

- Assumes higher net interest earnings due to rising interest rates and a more equitable allocation of credit card fees
- Assumes \$175,000 in special assessments for weed mowing
- Assumes higher miscellaneous revenue offset by the BWC payment received in 2017

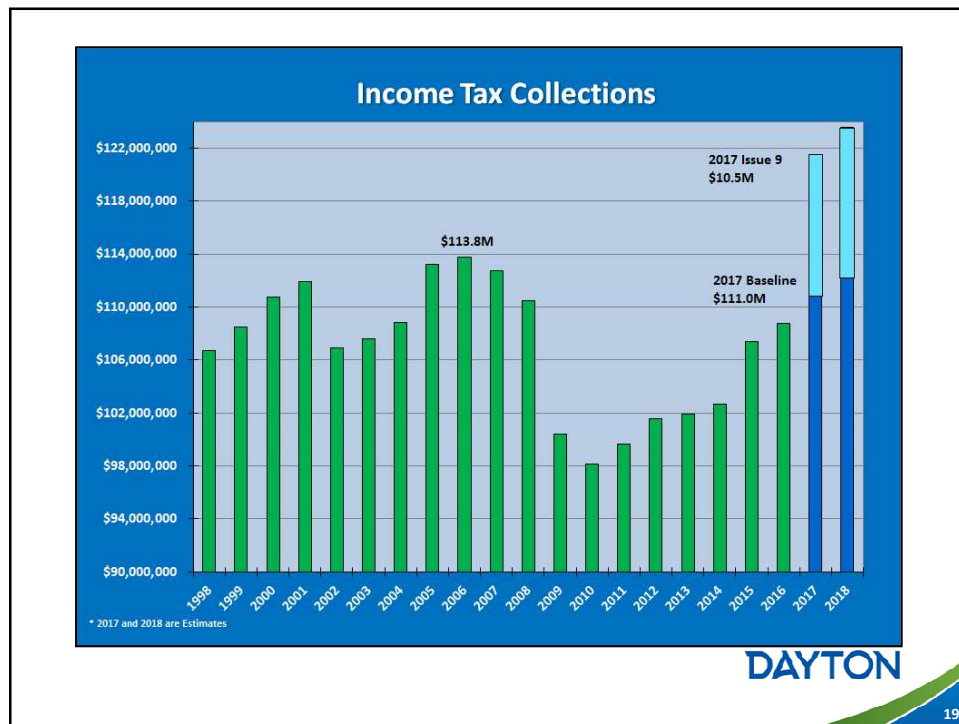


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Total General Fund Revenue



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2018 Expenditure Budget Highlights

1. Police and Fire recruit classes are funded. Police staffing will average an increase of 8 in 2018 compared to 2017.
2. Public Works service levels funded at continuation level.
3. Increased Demolition funding from General Fund by 50% (\$1.0 million to \$1.5 million).
4. Investments in technology and equipment to improve efficiency (e.g. replacement of Police in-car cameras).
5. 2018 G.O. debt sources are helping us fund a higher level of capital projects in 2018 when compared to 2017.

CSA Expenditure Budgets

	2017 Original	2018		
Community Service Area	Budget	Recommended	\$ Chg.	% Chg.
		Budget		
Economic and Community Development				
Economic Development	934,400	973,600	39,200	4.2%
Development Fund Trans	2,750,000	2,750,000	-	0.0%
Zoning Administration	348,200	348,800	600	0.2%
REAP/Lot Links	100,000	-	(100,000)	-100.0%
Planning/Community Development	1,804,300	1,937,100	132,800	7.4%
Recreation & Youth	3,958,700	3,757,700	(201,000)	-5.1%
Recreation & Youth Golf Subsidy	-	200,000	200,000	N.A.
Convention Center	2,349,600	2,043,700	(305,900)	-13.0%
Water	110,800	116,700	5,900	5.3%
Aviation	5,461,600	5,538,000	76,400	1.4%
CDBG/HOME	1,215,500	1,089,900	(125,600)	-10.3%
Golf	3,528,300	3,221,200	(307,100)	-8.7%
Total Economic & Community Dev.	22,561,400	21,976,700	(584,700)	-2.6%

- Lot Links program will be funded based on revenue from property sales alleviating need for more seed money.
- PCD reflects one additional position shifted from CDBG to the General Fund.
- Recreation's budget assumes a reductions in utilities as various capital improvements are accomplished.
- Convention Center includes \$150,000 in vacancy savings due to holding two positions vacant for six months. Shortfall is \$143,000 along with \$150,000 in deferred costs.
- Position in HOME fund shifted to CDBG, another position moved to GF.

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CSA Expenditure Budgets

		2018		
Community Service Area	2017 Original Budget	Recommended Budget	\$ Chg.	% Chg.
Justice				
Criminal Law	1,210,500	1,292,500	82,000	6.8%
Clerk of Courts	3,564,400	3,650,100	85,700	2.4%
Municipal Courts	4,386,000	4,468,600	82,600	1.9%
Human Relations Council	807,000	811,200	4,200	0.5%
Police	50,495,500	52,142,900	1,647,400	3.3%
Law Enforcement Funds	833,900	594,300	(239,600)	-28.7%
COPS Grant	-	625,000	625,000	N.A.
CIRGV/CPC	295,100	310,000	14,900	5.0%
Mediation Center	492,600	524,600	32,000	6.5%
Total Justice	62,085,000	64,419,200	2,334,200	3.8%

- Law Enforcement funds have historically varied from year to year but have declined significantly in recent years. AFIS (automated finger printing system) costs of \$60,000 annually shifted to the General Fund. Cost shifting began in 2017 with fuel and equipment costs being moved to the General Fund.
- COPS Grant (\$1,875,000) reflects first full year of three year allocation of \$125,000 subsidy for each of 15 Police Officers – annual subsidy is \$41,677 per officer.
- Mediation Center has a new contract with the Montgomery Co. Sheriff's Office that will fund one additional position for a three year period to provide various the Jail.

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CSA Expenditure Budgets

Community Service Area	2017 Original Budget	2018 Recommended Budget	\$ Chg.	% Chg.
Building and Environmental Safety				
Building Inspection	1,838,700	2,024,600	185,900	10.1%
Environmental & Wellfield Protection	92,100	96,700	4,600	5.0%
Fire	39,507,900	39,796,600	288,700	0.7%
Housing Inspection (GF)	1,129,600	886,400	(243,200)	-21.5%
Demolition Transfer	1,000,000	1,500,000	500,000	50.0%
Waste Collection	10,707,900	10,584,200	(123,700)	-1.2%
Water	27,704,300	28,721,600	1,017,300	3.7%
Sewer	16,729,100	17,593,900	864,800	5.2%
Storm Water	608,400	664,100	55,700	9.2%
Aviation	6,930,600	6,612,300	(318,300)	-4.6%
CDBG/Housing Insp., Nuisance Abate.	2,783,300	2,583,000	(200,300)	-7.2%
Total Bldg & Environmental Safety	109,031,900	111,063,400	2,031,500	1.9%

- Building Inspection includes supplemental allocation of \$200,000 from new revenue generated by increased building permit fees (approved in 2017) for additional inspector and professional services.
- Housing Inspection (GF) reflects the transfer of a position to PCD as well as savings from several position transitions (turnover). In addition, funding for the purchase of vehicles declined \$53,400.
- Demolition funding was increased 50% to \$1.5 million to address critical needs.**
- Sewer (Water Reclamation) is up due to an increase in capital equipment spending (from \$155,000 in 2017 to \$518,800 in 2018 due to vehicle replacement needs).
- Storm Water/Environmental Protection includes \$84,000 in 2018 capital equipment for a salt conveyor for the salt barn to prevent run off (no equipment in 2017).
- CDBG: One Conservation Supervisor abolished, 2017 includes unspent carryover budget from the prior year.



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CSA Expenditure Budgets

Community Service Area	2017 Original Budget	2018 Recommended Budget	\$ Chg.	% Chg.
Infrastructure				
Civil Engineering	1,743,200	1,723,800	(19,400)	-1.1%
General Capital Transfer	2,437,500	1,661,500	(776,000)	-31.8%
Parks and Forestry	1,666,200	1,745,200	79,000	4.7%
Public Works Admin	465,100	471,400	6,300	1.4%
Street Maintenance	2,421,300	2,466,700	45,400	1.9%
Water	25,056,200	26,984,900	1,928,700	7.7%
Sewer	18,171,800	19,537,300	1,365,500	7.5%
Storm Water	6,565,200	6,553,400	(11,800)	-0.2%
Aviation	23,519,500	22,830,400	(689,100)	-2.9%
Roadway Maintenance	6,193,000	6,206,000	13,000	0.2%
Street Light Special Assessment	2,497,800	2,608,500	110,700	4.4%
Total Infrastructure	90,736,800	92,789,100	2,052,300	2.3%

- The General Capital transfer was reduced as a "one-time" budget solution with the plan that the funding would be replaced by \$1 million in savings from the 2017 General Fund budget.
- Water capital projects transfer is increasing \$2.0 million as the Water Department continues to make progress on their Water Asset Management Program.
- Sewer capital Projects transfer is increasing \$1.7 million to address needed projects.
- Aviation capital projects transfer declined from \$1.65 million to \$1.15 million. Aviation has requested authority for an additional \$684,600 for a capital reserve transfer. OMB and Aviation have agreed to review this additional transfer mid-year.



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CSA Expenditure Budgets

	2017 Original Budget	2018 Recommended Budget		
Community Service Area			\$ Chg.	% Chg.
Corporate Service and Governance				
Clerk of Commission	1,265,100	1,299,700	34,600	2.7%
City Manager's Office	1,374,500	1,408,500	34,000	2.5%
Civil Service	1,642,900	1,456,300	(186,600)	-11.4%
Finance	3,047,300	3,212,800	165,500	5.4%
Human Resources	1,116,800	1,108,800	(8,000)	-0.7%
Central Services	14,544,900	14,942,700	397,800	2.7%
Law - Civil	1,549,700	1,460,800	(88,900)	-5.7%
OMB	1,051,000	1,175,600	124,600	11.9%
Nondepartmental	3,052,200	2,112,800	(939,400)	-30.8%
Public Affairs	772,500	873,100	100,600	13.0%
Water	3,932,000	3,849,800	(82,200)	-2.1%
CDBG Indirect Cost	148,000	152,900	4,900	3.3%
Internal Service	40,425,000	39,516,500	(908,500)	-2.2%
Total Corporate Services & Governance	73,921,900	72,570,300	(1,351,600)	-1.8%

- Civil Service budget in 2017 included \$182,000 for replacement computer hardware and software.
- Finance includes a new position for Asset Management as a new computer system with an updated inventory is implemented. Also budgeted \$40,000 for a contract auditor to check tax compliance at construction sites.
- Human Resources implemented a cost-saving reorganization in 2017.
- OMB includes a temporary overfill of an Analyst position.
- Non-departmental includes the new vacancy savings offset of \$989,000.
- Public Affairs includes a capital equipment allocation for the replacement of cameras in the Chambers.
- The Workers' Compensation Fund is declining in \$1.3 million as 2017 included additional payments.



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2018 General Fund Major Budget Solutions

Reduced Current Year Investments Budget -- Reduction of \$1.5 million offset by \$500,000 increase for Demolition (Assumes \$1 million pre-funded from 2017 balance)	\$1,000,000
Reduce Fringe Benefit Rates (based on actual trends)	\$500,000
Freeze Health Insurance Transfer Amounts	\$930,000
COPS Hiring Grant Offsetting GF Sworn Police Costs (Total grant is \$1,875,000 over 3 years)	\$625,000
C&M cuts from tighter parameters	\$700,000
Use of Cash Reserve	\$1,700,000
Total Major Budget Solutions for General Fund	\$5,455,000



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2018 Department Budget/Service Solutions

Department	Budget/Service Solution	Amount
Economic Development	Increased building permit fees generating \$400,000 annually of which \$200,000 allocated to Building Insp. for additional inspector and contract services to improve response times	\$400,000
Law	Renegotiated hourly rates for outside legal counsel, staff reorganization	\$100,000 - \$200,000
Aviation	Reduced utility costs related to HVAC replacement and sanitary sewer line upgrade	\$365,500
Human Resources	Reorganization resulted in savings in General and Workers' Compensation Fund – also tightened various C&M accounts for 5%	\$141,000
City Manager's Office	Major sustainability initiative will kick off with contract to do assessment and assist City with development of plan	N/A



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2018 Department Budget/Service Solutions

Department	Budget/Service Solution	Amount
Convention Center	Adjusted staffing schedules for efficiencies and reduced overtime	\$20,000
Water	Plan to continue expanding lime sales	N/A
Central Services	Currently evaluating document management needs; will be making recommendations related to copiers and related equipment	N/A
Finance	Budget includes new Call Center supervisor with plans to consolidate and improve call center operations	N/A
Finance	Will hire contract auditor to ensure that income taxes are being paid at construction sites in the City	Est. net \$100,000
OMB, Public Works, IT, Planning	Further expansion and development of Business Intelligence/Dashboards to ensure accountability and transparency	N/A



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General Fund Budget by Category

General Fund	2017 Original Budget	2018 Recommended Budget	Pct. Chng.	Dollar Change
Personnel	120,991,100	121,747,600	0.6%	756,500
Contracts and Materials	34,026,200	34,657,300	1.9%	631,100
Capital Equipment	2,560,700	2,659,200	3.8%	98,500
Debt Service	77,000	-	-100.0%	(77,000)
Issue 9	571,500	600,000	5.0%	28,500
Sub-total Operating	158,226,500	159,664,100	0.9%	1,437,600
Transfers Out				
Capital Projects	2,437,500	1,661,500	-31.8%	(776,000)
Development Fund	2,750,000	2,750,000	0.0%	0
Other Transfers	1,292,500	1,408,700	9.0%	116,200
Demolition Fund	1,000,000	1,500,000	50.0%	500,000
Issue 9	7,928,500	7,928,500	0.0%	0
Total Transfers	15,408,500	15,248,700	-1.0%	(159,800)
Grand Total General Fund	173,635,000	174,912,800	0.7%	1,277,800

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2018 General Fund by Category

- A. Personnel costs would be \$1.6 million higher but for \$1.0 million in higher centralized vacancy savings assumptions and \$625,000 COPS hiring grant.
- B. Contracts and materials costs include increased costs for Regional Dispatch (\$215,900 for Police and \$115,600 for Fire).
- C. Capital equipment totals \$5.0 million in 2018 for General and Roadway Fund departments. The General Fund budget reflects the cash portion of the 2018 General Fund equipment purchases. In addition, \$2.2 million in G.O debt financed equipment is planned. The largest component is \$990,000 for a Fire aerial ladder truck.
- D. Capital projects allocation reduced; assumes \$1 million from 2017 budget savings will be obtained.
- E. Demolition Fund increased 50% to help address critical needs in the neighborhoods.



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Additional 2018 Considerations

1. Challenges related to State and Federal funding and legislation potentially loom ahead. The City is vulnerable not only to cuts but also to significant delays in funding requiring advances and funding substitutions (CDBG asphalt resurfacing).
2. We have two entities that are requiring major General Fund subsidies (Convention Center, Golf) and future operations should be examined.
3. We still have significant shortfalls for funding major capital improvements (demolition, City facilities, local matches on transportation projects).
4. Long-term, continued cost containment will be necessary given the cost of government will likely continue to outpace the growth in revenues.



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2018 General Fund Budget Take-Aways

1. The 2018 General Fund budget is balanced.
2. Total sources (without the use of the reserve) are growing 1.8%. Future revenue growth is under threat given State law changes regarding income tax uniformity and collections.
3. The growth in General Fund total uses has been contained to 0.2% in 2018.
4. Long-term, continued cost containment will be necessary given the cost of government will likely continue to outpace the growth in revenues.
5. Federal budget actions could impact our ability to provide some neighborhood services (i.e. CDBG/HOME funding).



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General Fund Cash Reserve Estimate

(all numbers in \$ millions)

Cash Reserve Estimate (in millions)		
January 2017 Cash Reserve	\$ 25.48	
Less Planned Use of Cash Reserve	0.00	No Use Anticipated Currently
Total 2017 Cash Reserve	\$ 25.48	
Estimated 2017 Cash Reserve Range	\$ 34.49	Maximum (10-weeks)
	\$ 20.75	Minimum (6-weeks)
Reserve over Minimum	\$ 4.73	
Less increase to cover 2018 Appropriation	\$ (0.15)	
Estimated Available Reserves	\$ 4.58	Over Minimum
2018 Planned Use of the Cash Reserve	\$ (1.70)	
2018 Estimated Amount over Minimum	\$ 2.88	

- The \$1.7M Use of the Reserve in 2018 will be used for Investments.
- The cash reserve can fluctuate from year to year based on the amount of outstanding encumbrances at year end.



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2018 City Commission Budget Work Sessions/Revised Schedule

Date (Weds.)	Time	Community Service Area	2018 City Manager's Recommended Budget Topics/Departments Included
11.8.17	9:30 – 11:30AM	2018 Budget Overview	Community Service Area Overviews, Revenue Estimates, Expenditure Overview (incl. Capital Equipment)
11.15.17	3:30 – 5:30PM	Justice	Police, Law (Prosecutor), PCD (Mediation Center), Human Relations Council, Municipal/Clerk of Courts
11.22.17	9:30 – 11:30AM		NO WORK SESSION – HAPPY THANKSGIVING!
11.29.17	9:30 – 11:30AM	Economic and Community Development	Economic Development, Convention Center, Planning & Community Development, Recreation & Youth Services, Aviation
12.6.17	3:30 – 5:30PM	Building and Environmental Safety	Fire, Economic Development (Building Inspection), PCD (Housing Inspection), Public Works (Waste Collection), Water (Environmental Protection), Aviation
12.13.17	9:30 – 11:30AM	Infrastructure	Water, Public Works (Street Maintenance, Engineering), Capital Projects (incl. debt position), Aviation, Wrap-Up
12.20.17	3:30 – 5:30PM	Corporate Services, Governance	Finance, Central Services, Civil Service, Public Works, OMB, Public Affairs, Law (Civil), Human Resources, Internal Service Funds
12.27.17	9:30 – 11:30AM	Back Up	IF NEEDED

2018 Overview Summary

1. The City Manager is proposing a balanced budget for 2018 that preserves our Issue 9 commitments. The 2018 budget reflects a continuation of the current service levels with a focus on improved customer service.
2. We continue to make progress in terms of equipment and infrastructure replacement. However, we still have significant shortfalls for funding major capital improvements (demolition, City facilities, local matches on transportation projects).
3. Longer term strategies need to be developed to address our structural imbalance. While Issue 9 has provided needed support for Police, Fire and Public Works, we still have the basic challenge of growth in revenues not keeping pace with inflationary growth in spending.

